

COUNTY OF SAN BERNARDINO
CALIFORNIA
SPECIAL DISTRICTS
AUDIT REPORT
COUNTY SERVICE AREA NO. 20
JOSHUA TREE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared by:

Internal Audits Section
Office of the Auditor/Controller-Recorder
March 23, 2009

**County of San Bernardino Special Districts
County Service Area No. 20
Joshua Tree**

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COUNTY OF SAN BERNARDINO

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LARRY WALKER
Auditor/Controller-Recorder
County Clerk

ELIZABETH A. STARBUCK
Assistant Auditor/Controller-Recorder
Assistant County Clerk

Independent Auditor's Report

March 23, 2009

Jeff Rigney, Director
Special Districts Department
157 W. Fifth Street, 2nd Floor
San Bernardino, CA 92415-0450

**SUBJECT: AUDIT OF COUNTY SERVICE AREA NO. 20-JOSHUA TREE FOR THE
FISCAL YEAR ENDED JUNE 30, 2008**

Introductory Remarks

In compliance with Section 26909 of the California Government Code, we have completed an audit of County Service Area No. 20-Joshua Tree for the fiscal year ended June 30, 2008.

Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of the County of San Bernardino Special District County Service Area No. 20-Joshua Tree (CSA), a component unit of the County of San Bernardino, California, as of and for the year ended June 30, 2008, which collectively comprise the CSA's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the CSA's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the minimum audit requirements and reporting guidelines for California Special Districts required by the Office of the State Controller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether

AudRpt/Jeff Rigney, Director
CSA 20
March 23, 2009

the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining aggregate fund information of the CSA, as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and the state regulations governing Special Districts.

The accompanying budgetary comparison information on page 25 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The CSA has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Respectfully submitted,

Larry Walker
Auditor/Controller-Recorder

By:

Howard M. Ochi, CPA
Chief Deputy Auditor

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**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Statement of Net Assets
June 30, 2008**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 815,654
Restricted cash	9,123
Interest receivable	6,673
Taxes receivable	46,369
Total current assets	<u>877,819</u>
Noncurrent assets:	
Capital assets:	
Land	51,235
Improvements to land	1,459,461
Construction in progress	34,669
Structures and improvements	1,470,270
Vehicles	34,427
Equipment	7,841
Less accumulated depreciation	<u>(1,178,623)</u>
Total noncurrent assets	<u>1,879,280</u>
Total assets	<u><u>\$ 2,757,099</u></u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 20,228
Salaries and benefits payable	17,997
Due to other governments	79,087
Total current liabilities	<u>117,312</u>
Noncurrent liabilities:	
Employees compensated absences	<u>25,139</u>
Total noncurrent liabilities	<u>25,139</u>
Total liabilities	<u>142,451</u>

NET ASSETS

Invested in capital assets	1,879,280
Restricted	9,123
Unrestricted	<u>726,245</u>
Total net assets	<u>2,614,648</u>
Total liabilities and net assets	<u><u>\$ 2,757,099</u></u>

The notes to the financial statements are an integral part of this statement.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Statement of Activities
For the Fiscal Year Ended June 30, 2008**

EXPENSES

Salaries and benefits	\$ 357,724
Services and supplies	597,972
Depreciation	65,868
Total program expenses	<u>1,021,564</u>

PROGRAM REVENUES

Special assessments	172,857
Charges for services	70,871
Total program revenues	<u>243,728</u>

Net program (expense) revenue	<u>(777,836)</u>
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GENERAL REVENUES

Property taxes	874,668
State assistance	32,648
Investment earnings	26,855
Contributions	12,935
Other	714
Total general revenues	<u>947,820</u>

Change in net assets	169,984
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Net assets - beginning	<u>2,444,664</u>
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Net assets - ending	<u><u>\$ 2,614,648</u></u>
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The notes to the financial statements are an integral part of this statement.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Balance Sheet
Governmental Funds
June 30, 2008**

	SPECIAL REVENUE FUND		
	General (SGD)	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 750,296	\$ 65,358	\$ 815,654
Restricted cash	9,123	-	9,123
Interest receivable	6,063	610	6,673
Taxes receivable	46,369	-	46,369
Total assets	<u>\$ 811,851</u>	<u>\$ 65,968</u>	<u>\$ 877,819</u>
LIABILITIES AND FUND BALANCES			
Current liabilities:			
Accounts payable	\$ 11,738	\$ 8,490	\$ 20,228
Salaries and benefits payable	17,997	-	17,997
Due to other governments	79,087	-	79,087
Total liabilities	<u>108,822</u>	<u>8,490</u>	<u>117,312</u>
Fund balances:			
Reserved for:			
Restricted cash	9,123	-	9,123
Unreserved:			
Undesignated	693,906	57,478	751,384
Total fund balances	<u>703,029</u>	<u>57,478</u>	<u>760,507</u>
Total liabilities and fund balances	<u>\$ 811,851</u>	<u>\$ 65,968</u>	

**Reconciliation of Governmental Balance Sheet to the Statement of
Net Assets:**

Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 1,879,280

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the funds. (25,139)

Net assets of governmental activities \$ 2,614,648

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
County Service Area No. 20 – Joshua Tree
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	SPECIAL REVENUE FUND		
	General (SGD)	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 874,668	\$ -	\$ 874,668
Special assessments	172,857	-	172,857
State assistance	12,458	20,190	32,648
Investment earnings	23,728	3,127	26,855
Contributions	12,935	-	12,935
Service fees	70,871	-	70,871
Other	893	(179)	714
Total revenues	<u>1,168,410</u>	<u>23,138</u>	<u>1,191,548</u>
EXPENDITURES			
Salaries and benefits	361,798	(7,382)	354,416
Services and supplies	683,408	(84,675)	598,733
Capital outlay:			
Land improvements	-	54,166	54,166
Structure improvements	-	42,787	42,787
Total expenditures	<u>1,045,206</u>	<u>4,896</u>	<u>1,050,102</u>
Excess of revenues over expenditures	123,204	18,242	141,446
OTHER FINANCING SOURCES (USES)			
Transfer in	158	-	158
Transfer out	<u>-</u>	<u>(158)</u>	<u>(158)</u>
Total other financing sources and uses	<u>158</u>	<u>(158)</u>	<u>-</u>
Net change in fund balances	123,362	18,084	141,446
Fund balances-beginning	<u>579,667</u>	<u>39,394</u>	<u>619,061</u>
Fund balance-ending	<u>\$ 703,029</u>	<u>\$ 57,478</u>	<u>\$ 760,507</u>

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
County Service Area No. 20 – Joshua Tree
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net change in fund balances-total governmental funds	\$	141,446
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		31,085
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The increase of compensated absences payable increases expenses in the Statement of Activities. Since this does not provide current financial resources, it is not reported in the governmental funds.		(3,308)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		761
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Change in net assets of governmental activities	\$	169,984
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The notes to the financial statements are an integral part of this statement.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The County Service Area No. 20 (CSA) is a special district located within the County of San Bernardino. The CSA has governmental powers as established by the San Bernardino County Government Charter. The County of San Bernardino (County) was established in 1852 as a legal subdivision of the State of California.

The CSA was established by an act of the Board of Supervisors of the County (Board) on April 27, 1964 pursuant to the authority granted by Article 11, Chapter 2.2, Division 2, Title 3 of the Government Code, consisting of Sections 25212.1 through 25212.7 to provide financing for four parks, three ball fields, a swimming pool, two recreation center buildings, a 12,000 sq. ft. community center, and maintenance of 329 street lights. Fire protection is provided through a contract with CSA 38 under the administrative direction of the County Fire Department.

The CSA is a component unit of the County and is governed by the actions of the County Board of Supervisors. Component units are legally separate organizations for which the Board is financially accountable, or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the County has the ability to impose its will on the organization, or (ii) there is potential for the organization to provide a financial benefit to, or impose a financial burden on, the County.

The accompanying financial statements reflect only the accounts of the CSA and are not intended to present the financial position of the County taken as a whole.

Because the CSA meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the CSA's financial statements have also been included in the Comprehensive Annual Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2008.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the reporting entity. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the CSA does not have any proprietary or fiduciary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. However, for revenue derived from voluntary non-exchange transactions, such as federal and state grants, the County expanded its definition of "available" to 9 months. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The CSA reports the following major governmental fund:

The *special revenue fund* labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

In addition, all of the nonmajor funds are capital project funds which are used to account for financial resources to be used for the acquisition or construction of major capital facilities. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer to increase interest earning through investment activities.

Investment activities are governed by the California Government Code Sections 53601, 53635, and 53638 and the County's Investment Policy. Authorized investments include U.S. Government Treasury and Agency securities, bankers' acceptances, commercial paper, medium-term notes, mutual funds, repurchase agreements, and reverse repurchase agreements.

Interest income and realized gains and losses earned on pooled investments are deposited quarterly to the CSA's accounts based upon the CSA's average daily deposit balances during the quarter. Unrealized gains and losses of the pooled investments are distributed to the CSA annually. Cash and cash equivalents are shown at fair value as of June 30, 2008.

Property taxes

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties after December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on the March 1 lien date and become delinquent with penalties after August 31.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an

County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

estimated useful life in excess of one year. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend asset life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10-100
Structures and Improvements	up to 45
Equipment	5-15

Net assets

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contribution of capital. Net assets are classified in the following three components:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – The component of net asset consist of net assets of the County that are not restricted for any project or other purpose.

Fund equity

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Employee compensated absences

Accumulated vacation, holiday benefits, sick pay and compensatory time are recorded as an expense and liability as the benefits are earned. Compensated absence liabilities are recorded as a noncurrent liability. The CSA is not obligated to pay for unused sick leave if an employee terminates or retires.

Compensated absences activity for the year ended June 30, 2008 was as follows:

Beginning Balance	Additions	Deletions	Ending Balance
\$21,831	\$18,290	\$14,982	\$25,139

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Stewardship, compliance and accountability

A. Budgetary information

In accordance with provisions of Section 29000 - 29143 of the Government code of the State of California, commonly known as the County Budget Act, the CSA prepares and adopts a budget on or before August 30 for each fiscal year. Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for capital assets within each fund.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of the CSA's Administration Department head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 2: CASH AND INVESTMENTS

Cash and investments include the cash balances of substantially all funds which are pooled (the “pool”) and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a SEC Rule 2a7 – like pool. The pool does not issue a separate report. Included also are cash and investments held by certain joint powers authorities and cash held by various trustee financial institutions in accordance with the California Government Code. State law now requires that all operating monies of the County, school districts, and board-governed special districts be held by the County Treasurer. The net asset value associated with legally mandated participants in the asset pool was \$4.12 billion at June 30, 2008.

As of June 30, 2008, the fair value of the County Pool was \$4.44 billion. Approximately 8% of the County pool is attributable to the County General Fund, with the remainder of the balance comprised of other County funds, school districts and special districts. Additionally, as of June 30, 2008, \$20.9 million of the amounts deposited in the County pool was attributable to depositors who are not required to, but choose to, invest in the County pool. These include independent special districts, State Trial Court, and other governmental agencies. The deposits held for both involuntary and voluntary entities are reported in the Investment Trust Fund.

The fair value of the pool is determined monthly, and depends on, among other factors, the maturities and types of investments and general market conditions. The fair value of each participant’s position including both voluntary and involuntary participants is the same as the value of the pool share. The method used to determine participants’ equity withdrawn is based on the daily average book value of the participants’ percentage participation in the pool.

The County has not produced or provided any letters of credit or legal binding guarantees as supplemental support of pool values during the year ended at June 30, 2008. The pool provides monthly reporting to both the Board of Supervisors and the County Treasury Oversight Committee who also review and approve investment policy.

The County does not pool its external participants’ investments separately from the County pool. The average rate of return on investments during fiscal year 2008 was 4.53%.

County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008

NOTE 2: CASH AND INVESTMENTS - Continued

A summary of the investments held by the County Treasurer is as follows (amounts reported in thousands):

Investment Type	Cost	Fair Value	Interest Rate Range (%)	Maturity Range	Average Maturity
U.S. Treasury Securities	\$ 14,984	\$ 15,058	3.36%	10/15/08	107
U.S. Government Agencies	2,496,871	2,501,610	2.49% - 5.53%	7/9/08 - 4/18/11	533
Negotiable Certificates of Deposit	781,725	780,075	2.38% - 3.02%	7/1/08 - 2/27/09	66
Commercial Paper	525,246	528,556	2.36% - 2.91%	7/1/08 - 11/28/08	37
Corporate Notes	197,502	194,780	2.72% - 5.69%	8/15/08 - 1/4/09	373
Money Market Mutual Funds	215,000	215,000	2.53%	7/1/08	1
Repurchase Agreements	100,000	100,000	2.57%	7/1/08	1
Total Treasurer's Pooled Investments	\$ 4,331,328	\$ 4,335,079			
Investments Controlled by Fiscal Agents:					
Money Market Funds	19,403	19,403			
Mutual Funds	17,187	17,187			
Guaranteed Investment Contracts	35,918	35,918			
U.S. Treasury Securities	82,612	82,612			
U.S. Agency Discount Notes	6,581	6,581			
Total Investments Controlled by Fiscal Agents	\$ 161,701	\$ 161,701			
Total Investments	\$ 4,493,029	\$ 4,496,780			
Cash in Banks:					
Non-Interest Bearing Deposits		\$ 35,807			
Total Cash and Investments		\$ 4,532,587			

Investment Type	S&P Rating	Moody's Rating	Fitch Rating	Maximum Allowed % of Portfolio	Individual Issuer Limitations	% of Pool 06/30/08
U.S. Treasury Securities	AAA	Aaa	AAA	100%	None	0.30%
U.S. Government Agencies	AAA	Aaa	AAA	75%	None	57.70%
Negotiable Certificates of Deposit	A1+	P1	F1+	30%	\$100MM	18.00%
Commercial Paper	A1+	P1	F1+	40%	10%	12.20%
Corporate Notes	AA	Aa1	AA+	10%	\$50MM	4.50%
Money Market Mutual Funds	AAA	Aaa	AAA	15%	10%	5.00%
Repurchase Agreements	A1	P1	F1+	40%	None	2.30%
Total Treasurer's Pooled Investments						

Investment authorized by debt agreement

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt rather than the general provisions of the California Government Code. Certificates of Participation and Revenue Bond indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may vary between debt issues, money market

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 2: CASH AND INVESTMENTS - *Continued*

funds are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

Investment credit risk

Investment credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40 requires the disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, money market funds, and other pooled investments of fixed income securities.

California Law and San Bernardino County Treasury Pool Investment Policy (where more restrictive) place limitations on the purchase of investments in the County Pool. Purchases of commercial paper and negotiable certificates of deposit are restricted to the top two ratings issued by a minimum of two of three nationally recognized statistical rating organizations (NRSRO's). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F-1 (Fitch), while an issuer of long-term corporate debt must have a minimum letter rating of "AA". Federal Agency notes and bonds, municipal notes and bonds, and money market mutual funds must have a minimum letter rating of "AAA". Limits are also placed on the maximum percentage investment by sector and by individual issuer. As of June 30, 2008, all investments held by the County pool were within policy limits.

Concentration of credit risk

An increased risk of loss occurs as more investments are acquired from one issuer (i.e. lack of diversification). This results in a concentration of credit risk.

GASB Statement No. 40 requires disclosure of investments by amount and issuer that represent five percent or more of total investments held. This requirement excludes investments issued or explicitly guaranteed by the United States Government, investments in mutual funds, external investment pools, and other pooled investments. As of June 30, 2008, the following issuers represented more than five percent of the County pool balance (amounts reported in thousands):

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
FNMA	\$ 764,170	17.63%
FHLB	\$ 714,683	16.49%
FHLMC	\$ 576,214	13.28%
FFCB	\$ 446,543	10.30%

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 2: CASH AND INVESTMENTS - *Continued*

Interest rate risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Generally, the longer the maturity of an investment, the greater the interest rate risk associated with that investment.

GASB Statement No. 40 requires that interest rate risk be disclosed using a minimum of one of five approved methods which are: segmented time distribution, specific identification, weighted average maturity, duration, and simulated model.

The County manages its exposure to interest rate risk by carefully matching cash flows and maturing positions to meet expenditures, limiting 40% of the County Pool to maturities of one year or less, and by maintaining an overall effective duration of 1.5 years or less. Duration is a measure of a fixed income's cash flow using present values, weighted for cash flows as a percentage of the investments full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds.

California Law and where more restrictive, the San Bernardino County Pool Investment Policy, place limitations on the maximum maturity of investments to be purchased by sector (see schedule on page 14). As of June 30, 2008, all investments held by the County Pool were within policy limits. A summary of investments for maturity range, maturity limits, maturity average and effective duration is as follows (amounts reported in thousands):

Investment Type	Fair Value	Maturity Range (Days)	Maturity Limits	Average Maturity	Effective Duration
U.S. Treasury Securities	\$ 15,058	107	5 Years	66	0.29
U.S. Government Agencies	2,501,610	9 - 1,022	5 Years	37	1.28
Negotiable Certificates of Deposit	780,075	1 - 242	365 days	373	0.18
Commercial Paper	528,556	1 - 151	270 days	533	0.1
Corporate Notes	194,780	46 - 492	18 months	1	0.97
Money Market Mutual Funds	215,000	1	Daily Liq.	1	0.003
Repurchase Agreements	100,000	1	180 days	107	0.003
Total Securities	<u>\$ 4,335,079</u>			<u>311</u>	

Custodial credit risk

Custodial Credit Risk for Deposits exists when, in the event of a depository financial institution failure, a government may be unable to recover deposits, or recover collateral securities that are in the possession of an outside party. GASB Statement No. 40 requires the disclosure of deposits into a financial institution that are not covered by FDIC depository insurance and are uncollateralized.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 2: CASH AND INVESTMENTS - *Continued*

California Law requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2008, the carrying amount of the County's deposits was \$35.8 million and the corresponding bank balance was \$96.5 million. The difference of \$60.7 million was primarily due to outstanding warrants, wires and deposits in transit. Of the bank balance, \$200,000 was insured by the FDIC depository insurance and \$96.3 million was uncollateralized and not insured by FDIC depository insurance. Custodial Credit Risk for Investments exists when, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. In order to limit Custodial Credit Risk for Investments, San Bernardino County Pool Investment Policy requires that all investments and investment collateral be transacted on a delivery versus payment basis with a third-party custodian and registered in the County's name. All counterparties to repurchase agreements must sign a TBMA Master Repurchase Agreement and/or Tri-Party Repurchase Agreement before engaging in repurchase agreement transactions.

A separate financial statement is not issued for the external investment pool. The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2008 (amounts reported in thousands):

Statement of Net Assets	
Equity of internal pool participants	\$ 1,717,967
Equity of external pool participants:	
Voluntary	209,520
Involuntary	2,407,592
Total Net Assets held for pool participants	<u>\$ 4,335,079</u>

Statement of Changes in Net Assets	
Net Assets at July 1, 2007	\$ 3,964,496
Net change in investments by pool participants	370,583
Net Assets at June 30, 2008	<u>\$ 4,335,079</u>

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 2: CASH AND INVESTMENTS – *Continued*

As of June 30, 2008, Cash and Investments of \$824,777 are classified in the accompanying financial statements as follows:

	Total Governmental Activities	Total Business-type Activities	Total Fiduciary Funds	Total
Cash and Cash Equivalent	\$ 815,654	\$ -	\$ -	\$ 815,654
Restricted Cash	9,123	-	-	9,123
Total Cash and Investments	\$ 824,777	\$ -	\$ -	\$ 824,777

NOTE 3: RESTRICTED CASH

The CSA receives contribution revenue from people and organizations to sponsor various recreation activities. Such sponsored recreation activities consist of the Miss Joshua Tree Pageant and the Annual Easter Egg Hunt. Expenses associated with these sponsored recreation activities are paid for with the money contributed by the sponsors. The unexpended cash from these sponsors amounts to \$9,123 as of June 30, 2008 and is reported as restricted cash.

NOTE 4: CAPITAL ASSETS

The costs of building and acquiring capital assets (land, buildings, vehicles and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the statement of net assets includes those capital assets among the assets of the CSA as a whole, and their original costs are expensed annually over their useful lives. Capital asset activity for governmental activities for the year ended June 30, 2008 follows:

County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008

NOTE 4: CAPITAL ASSETS - Continued

	Beginning Balance July 1, 2007	Additions	Deletions	Ending Balance June 30, 2008
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 51,235	\$ -	\$ -	\$ 51,235
Construction in progress	494,837	24,981	(485,149)	34,669
Total capital assets, not being depreciated	<u>546,072</u>	<u>24,981</u>	<u>(485,149)</u>	<u>85,904</u>
Capital assets, being depreciated:				
Land improvements	902,341	557,120	-	1,459,461
Structures and improvements	1,470,270	-	-	1,470,270
Vehicles	47,707	-	(13,280)	34,427
Equipment	7,841	-	-	7,841
Total capital assets, being depreciated	<u>2,428,159</u>	<u>557,120</u>	<u>(13,280)</u>	<u>2,971,999</u>
Less accumulated depreciation for:				
Land improvements	(511,131)	(28,417)	-	(539,548)
Structures and improvements	(559,356)	(37,451)	-	(596,807)
Vehicles	(47,707)	-	13,280	(34,427)
Equipment	(7,841)	-	-	(7,841)
Total accumulated depreciation	<u>(1,126,035)</u>	<u>(65,868)</u>	<u>13,280</u>	<u>(1,178,623)</u>
Net capital assets, being depreciated, net	<u>1,302,124</u>	<u>491,252</u>	<u>-</u>	<u>1,793,376</u>
Capital assets, net	<u>\$ 1,848,196</u>	<u>\$ 516,233</u>	<u>\$ (485,149)</u>	<u>\$ 1,879,280</u>

Construction in Progress

At June 30, 2008 construction in progress represents the following projects:

Project Title	Budget	YTD Expenses	Projected Fiscal Year of Completion
Improvements to the Community Center	39,225	15,288	2009
Park Shelter & Heating, Ventilation, Air Conditioning (HVAC) System	75,046	19,381	2009
		<u>\$ 34,669</u>	

NOTE 5: RESTRICTED NET ASSETS

The CSA receives contribution revenue from people and organizations to sponsor various recreation activities. Any money not expended on these sponsored activities must be reported as Restricted Net Assets. The amount of unexpended contributions at 6/30/08 was \$9,123 and is reported as restricted net assets.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 6: PROPOSITION 111 APPROPRIATION LIMITS

Proposition 111, which added Article XIII B to the State Constitution, established limits on budget appropriations in order to restrict government spending. We have reviewed the proceeds of taxes received by the CSA during the 2007-2008 fiscal year and have found the revenue to be within the guidelines established by Proposition 111.

NOTE 7: SHORT-TERM DEBT

In July 2007, the county issued Tax and Revenue Anticipation Notes (TRANS) for the benefit of the CSA totaling \$865,020 which was repaid April 17, 2008. The proceeds of the TRANS were intended to provide financing for the CSA expenditures, including current expenditures, capital expenditures and the discharge of other obligations or indebtedness of the CSA. The TRANS were secured by a pledge of various monthly amounts of property taxes on the secured roll.

<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2008</u>
\$ -	\$ 865,020	\$ 865,020	\$ -

NOTE 8: RETIREMENT PLAN

Plan Description

The San Bernardino County Employees' Retirement Association (SBCERA) is a cost-sharing multiple-employer defined benefit pension plan (the "Plan") operating under the California County Employees Retirement Act of 1937 ("1937 Act"). It provides retirement, death, and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, the City of Chino Hills, the California State Association of Counties, the San Bernardino County Law Library, Crest Forest Fire Protection District, Mojave Desert Air Quality Management District (MDAQMD) and the South Coast Air Quality Management District (the "AQMD"), were later included, along with the County of San Bernardino (the "County"), and are collectively referred to as the "Participating Members". The plan is governed by the San Bernardino Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W Hospitality Lane - 3rd floor, San Bernardino, California 92415-0014.

Fiduciary Responsibility

The Retirement Association is controlled by its own board, the Retirement Board, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. The Retirement Association publishes its own Comprehensive Annual Financial Report and receives a separate independent audit.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 8: RETIREMENT PLAN – *Continued*

The Retirement Association is also a legally separate entity from the County and not a component unit. For these reasons, the County's Comprehensive Annual Financial Report excludes the Retirement Association pension trust fund as of June 30, 2008.

Funding Policy (amounts reported in the thousands)

Participating members are required by statute (Sections 31621, 31621.2 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). Members are required to contribute 8.97% - 12.84% for general members and 11.14% - 15.09% for safety members, of their annual covered salary of which the County pays approximately 7%. County of San Bernardino employer contribution rates are as follow: County General 12.03%, County Safety 24.84%. All employers combined are required to contribute 14.46% of the current year covered payroll. For 2008, the County's annual pension cost of \$203,712 was equal to the County's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Sections 31453 of the 1937 Act.

The County's annual pension cost and prepaid asset, computed in accordance with GASB 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2008, were as follows:

Annual Required Contribution (County fiscal year basis)	\$ 203,712
Interest On Pension Assets	(32,917)
Adjustment To The Annual Required Contribution	<u>47,803</u>
Annual Pension Cost	218,598
Annual Contributions Made	<u>203,712</u>
Increase/(Decrease) in Pension Assets	(14,886)
Pension Asset, Beginning of Year	<u>828,602</u>
Pension Asset, End of Year	<u><u>\$ 813,716</u></u>

The following table shows the County's required contributions and percentage contributed, for the current year and two preceding years:

Year Ended June 30,	Annual Contributions Made		Percentage Contributed
	SBCERA	County	
2006	197,343	166,614	100%
2007	239,857	194,130	100%
2008	241,721	203,712	100%

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 8: RETIREMENT PLAN – Continued

The following schedule shows the County's actuarial value of its assets compared to its accrued liability, for the current year and five preceding years:

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL)** (b)	Unfunded/ (Overfunded) AAL (UAAL) (b)-(a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
6/30/2003	\$ 3,815,573	\$ 4,368,411	\$ 552,838	87.34%	\$ 933,898	59.20%
6/30/2004	4,418,152	4,719,865	301,713	93.61%	943,545	31.98%
6/30/2005	4,750,229	5,215,719	465,490	91.08%	968,674	48.05%
6/30/2006	5,175,767	5,624,646	448,879	92.02%	1,028,731	43.63%
6/30/2007	5,797,400	6,227,013	429,613	93.10%	1,102,151	38.98%
6/30/2008	6,341,531	6,773,629	432,098	93.62%	1,219,562	35.43%

* Includes assets for Survivor Benefits, Burial Allowance, General Retiree Subsidy, and Excess Earnings Reserves

** Includes liabilities held for Survivor Benefits, Burial Allowance, General Retiree Subsidy, and Excess Earnings reserves

The County, along with the AQMD, issued Pension Refunding Bonds (the "Bonds") in November 1995 with an aggregate amount of \$420,527. These Bonds were issued to allow the County and the AQMD to refinance each of their unfunded accrued actuarial liabilities with respect to retirement benefits for their respective employees. The Bonds are the obligations of the employers participating in the Plan and the assets of the Plan do not secure the Bonds. The County's portion of the bond issuance was \$386,266. In April 2008, the County refunded a portion of the Bonds. The current amount outstanding at June 30, 2008 is \$435,707. On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in a respective aggregate principal amounts of \$189,070, \$149,825, and \$125,000. The Bonds were issued to finance the County's share of the unfunded accrued actuarial liability of the SBCERA. In April 2008, the County refunded a portion of the Series 2004 A and all of the 2004 Series B. The current amount outstanding at June 30, 2008 is \$301,595.

In April 2008, the County of San Bernardino issued its \$160,900 in Pension Obligation Refunding Bonds (POB), Series 2008 (the "Series 2008 Bonds"). The current amount outstanding at June 30, 2008 is \$160,900.

NOTE 9: FEDERAL AND STATE GRANTS

From time to time the CSA may receive funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds.

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 10: SELF INSURANCE

The CSA is insured through the County's self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Public liability claims are self-insured for up to \$1 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$35 million is provided through a Risk Pool Agreement with California State Association of Counties (CSAC) Excess Insurance Authority ("EIA") Liability Program II. Workers' compensation claims are self-insured up to \$2 million per occurrence, and covered by CSAC EIA for up to \$10 million for employer's liability, and up to \$50 million for workers' compensation per occurrence. Property damage claims are insured on an occurrence basis over a \$25,000 deductible, and insured with CSAC EIA Property Program.

The County supplements its self-insurance for medical malpractice claims with CSAC EIA, which provides annual coverage on a claims made form basis with a SIR of \$1 million for each claim. Maximum coverage under the policy is \$11.5 million per claim with an additional \$10 million in limits provided by the CSAC EIA General Liability II Program.

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, also with CSAC EIA with a \$100,000 deductible, and excess limits up to \$10 million per occurrence. The activities related to such programs are accounted for in the County's Risk Management Fund (an internal service fund), except for unemployment insurance, and employee dental insurance, which are accounted for in the County's General Fund. The incurred but not reported (IBNR) and incurred but not settled (IBNS) liabilities stated on the Risk Management fund's balance sheet are based upon the results of actuarial studies, and include amounts for allocated and unallocated loss adjustment expenses.

The liabilities for these claims are reported using a discounted rate of 2.75%. It is the Department's practice to obtain actuarial studies on an annual basis. The total claims liability of 149.3 million reported on the Risk Management fund's balance sheet at June 30, 2008 is based on the requirements of GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Changes in the claims liability amount in fiscal years 2007 and 2008 were:

**County of San Bernardino
County Service Area No. 20 – Joshua Tree
Notes to the Financial Statements
June 30, 2008**

NOTE 10: SELF INSURANCE – *Continued*

Fiscal Year	Beginning of Fiscal Year Liability (in thousands)	Current-Year Claims and Changes in Estimates (in thousands)	Claims Payments (in thousands)	Balance at Fiscal Year-End (in thousands)
2006-07	\$127,233	\$34,312	(\$31,862)	\$129,683
2007-08	\$129,683	\$51,702	(\$32,064)	\$149,321

NOTE 11: SUBSEQUENT EVENT

On January 16, 2008, the Local Agency Formation Commission of the County of San Bernardino approved Resolution No. 2989, which reorganized the County of San Bernardino's Fire Districts, County Service Areas (CSA) and Special Assessment Zones. This resolution took effect on July 1, 2008, and detached, dissolved or renamed the specific Fire Districts, CSAs and Special Assessment Zones related to the reorganization into the San Bernardino County Fire Protection District. The purpose of the reorganization was to continue to provide a financial means to maintain current and meet future levels of service to those areas within the County of San Bernardino. With the reorganization, County Fire was able to better consolidate resources by geographic regions in order to continue the ability to provide a consistent level of service to those areas. In the reorganization, the applicable property taxes will remain in the established regions in which the original Districts, CSAs and Special Assessment Zones were located. Additionally, this reorganization binds the new entities to the original budgets approved by the Board of Supervisors. As a result of this county fire reorganization, (LAFCO Resolution 2989), the CSA deactivated Fund CFY - Joshua Tree Fire and transferred any residual money remaining in the fund to CSA 38.

Schedule One

Required Supplementary Information
County of San Bernardino Special Districts
County Service Area No. 20 – Joshua Tree
Budgetary Comparison Schedule – Special Revenue Fund (General)
For the Year Ended June 30, 2008

CSA-20 Joshua Tree	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget
Budgetary fund balance, July 1, 2007	\$ 551,749	\$ 551,749	\$ 579,667	\$ 27,918
Resources (inflows):				
Property taxes	1,078,008	1,078,008	1,047,525	(30,483)
Use of money and property	26,000	26,000	37,714	11,714
State Assistance	-	-	12,458	12,458
Service fees	50,000	50,000	70,871	20,871
Amounts available for appropriation	<u>1,705,757</u>	<u>1,705,757</u>	<u>1,748,235</u>	<u>42,478</u>
Charges to appropriations (outflows):				
Salaries and benefits	287,340	287,340	361,798	(74,458)
Service and supplies	220,386	220,386	683,408	(463,022)
Other charges	10,584	10,584	-	10,584
Transfers out	611,776	611,776	-	611,776
Reserves and contingencies	575,671	575,671	-	575,671
Total charges to appropriations	<u>1,705,757</u>	<u>1,705,757</u>	<u>1,045,206</u>	<u>660,551</u>
Budgetary fund balance, June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,029</u>	<u>\$ 703,029</u>

Schedule Two

**County of San Bernardino Special Districts
County Service Area No. 20 – Joshua Tree
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2008**

CAPITAL PROJECTS FUND

	Fire Station Project (CFY)	Skateboard Park (CLN)	Replace SR Kitchen Center (CQB)	Playground Curb and Sidewalk (CQC)	Sidewalk Replacement (CQD)	Sunburst Water Park (CSU)	Friendly Hills Park Improvements (CLP)	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	\$ -	\$ 44,944	\$ 8,438	\$ 8,443	\$ 20	\$ 3,513	\$ -	\$ 65,358
Interest receivable	-	471	87	-	-	52	-	610
Total assets	\$ -	\$ 45,415	\$ 8,525	\$ 8,443	\$ 20	\$ 3,565	\$ -	\$ 65,968
LIABILITIES AND FUND BALANCES								
Current liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 8,490	\$ -	\$ -	\$ -	\$ 8,490
Total liabilities	-	-	-	8,490	-	-	-	8,490
Fund Balances:								
Unreserved:								
Undesignated	-	45,415	8,525	(47)	20	3,565	-	57,478
Total fund balances	-	45,415	8,525	(47)	20	3,565	-	57,478
Total liabilities and fund balances	\$ -	\$ 45,415	\$ 8,525	\$ 8,443	\$ 20	\$ 3,565	\$ -	\$ 65,968

Schedule Three

**County of San Bernardino Special Districts
County Service Area No. 20 – Joshua Tree
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008**

CAPITAL PROJECTS FUND

	Fire Station Project (CFY)	Skateboard Park (CLN)	Replace SR Kitchen Center (CQB)	Playground Curb and Sidewalk (CQC)	Sidewalk Replacement (CQD)	Sunburst Water Park (CSU)	Friendly Hills Park Improvements (CLP)	Total Nonmajor Governmental Funds
REVENUES								
State assistance	\$ -	\$ 20,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,190
Investment earnings	4	2,473	196	16	6	428	4	3,127
Other	(179)	-	-	-	-	-	-	(179)
Total revenues	(175)	22,663	196	16	6	428	4	23,138
EXPENDITURES								
Salaries and benefits	-	-	-	(2,782)	-	(4,600)	-	(7,382)
Services and supplies	-	-	(13,915)	(16,490)	-	(54,270)	-	(84,675)
Capital outlay:								
Land improvements	-	-	-	19,381	-	34,785	-	54,166
Structure Improvements	-	37,187	5,600	-	-	-	-	42,787
Total expenditures	-	37,187	(8,315)	109	-	(24,085)	-	4,896
Excess of revenues over expenditures	(175)	(14,524)	8,511	(93)	6	24,513	4	18,242
OTHER FINANCING SOURCES (USES)								
Transfer out	-	-	-	-	-	-	(158)	(158)
Total other financing sources and uses	-	-	-	-	-	-	(158)	(158)
Net change in fund balances	(175)	(14,524)	8,511	(93)	6	24,513	(154)	18,084
Fund balances-beginning	175	59,939	14	46	14	(20,948)	154	39,394
Fund balance-ending	\$ -	\$ 45,415	\$ 8,525	\$ (47)	\$ 20	\$ 3,565	\$ -	\$ 57,478